

State of Iowa
Projected Condition of the General Fund Budget

(Dollars in Millions)

	<u>Actual FY 2016</u>	<u>Estimated FY 2017</u>	<u>Enacted FY 2018</u>	<u>Enacted FY 2019</u>
Resources:				
Receipts (Dec Est)	\$ 6,921.1	\$ 7,211.9	\$ 7,556.3	\$ 7,858.6
March REC Adjustment	0.0	- 105.9	- 191.8	- 232.1
Net Receipts	<u>6,921.1</u>	<u>7,106.0</u>	<u>7,364.5</u>	<u>7,626.5</u>
Revenue Adjustments	0.0	132.0	6.0	6.1
Subtotal Receipts	<u>6,921.1</u>	<u>7,238.0</u>	<u>7,370.5</u>	<u>7,632.6</u>
Surplus Carryforward (EEF Excess)	<u>367.3</u>	<u>18.2</u>	<u>0.0</u>	<u>77.0</u>
Total Available Resources	<u>\$ 7,288.4</u>	<u>\$ 7,256.2</u>	<u>\$ 7,370.5</u>	<u>\$ 7,709.6</u>
Expenditure Limitation			\$ 7,296.7	\$ 7,633.1
Estimated Appropriations and Expenditures:				
Appropriations	\$ 7,174.3	\$ 7,352.3	\$ 7,268.6	\$ 2,441.8
Adjustment to Standing Appropriations	8.1	- 4.5	0.0	0.0
Appropriation Adjustments	0.0	0.0	0.0	0.0
Supplemental/Deappropriations	<u>72.4</u>	<u>- 88.2</u>	<u>0.0</u>	<u>0.0</u>
Total Appropriations	<u>\$ 7,254.8</u>	<u>\$ 7,259.6</u>	<u>\$ 7,268.6</u>	<u>\$ 2,441.8</u>
Reversions				
Operations	- 10.5	- 5.0	- 5.0	- 5.0
Governor's Item Vetoes	<u>0.0</u>	<u>0.0</u>	<u>- 0.4</u>	<u>- 0.1</u>
Net Appropriations	<u>\$ 7,244.3</u>	<u>\$ 7,254.6</u>	<u>\$ 7,263.2</u>	<u>\$ 2,436.7</u>
Ending Balance - Surplus	<u>\$ 44.1</u>	<u>\$ 1.6</u>	<u>\$ 107.3</u>	<u>\$ 5,272.9</u>
Under (Over) Expenditure Limitation			<u>\$ 28.1</u>	<u>\$ 5,191.3</u>

NOTE: The Governor did not item veto any appropriations or revenue adjustments from legislation passed by the General Assembly during the 2017 Legislative Session. The Governor did item veto certain allocations from HF 653 (Health and Human Services Appropriations Act) that will result in an estimated increase in reversions for FY 2018 and FY 2019.

State of Iowa
General Fund Appropriation Bills
(Dollars in Millions)

Bill No.	Bill Name	Enacted		
		FY 2017 Adj.	FY 2018	FY 2019
HF 640	Administration and Regulation	\$ 0.0	\$ 47.4	\$ 23.7
SF 510	Agriculture and Natural Resources	0.0	38.8	19.4
SF 513	Economic Development	0.0	38.4	19.2
HF 642	Education	0.0	908.4	454.5
HF 653	Health and Human Services	0.0	1,766.4	883.5
SF 509	Justice System	0.0	559.0	279.5
SF 508	Judicial Branch	0.0	178.8	89.4
HF 643	Infrastructure	0.0	- 17.5	0.0
SF 166	State School Aid	0.0	3,198.7	0.0
SF 130	FY 2017 Budget Adjustment	- 88.2	0.0	0.0
SF 516	Standing Appropriations Bill	0.0	- 12.2	108.7
Current Law	Standing Appropriations (Current Law)	0.0	562.2	563.9
	Total	\$ - 88.2	\$ 7,268.6	\$ 2,441.8

State of Iowa
General Fund Revenue Adjustments by Act
(Dollars in Millions)

<u>Bill No.</u>		<u>Enacted</u>		
		<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
	<u>Enacted Law Changes Prior to March REC¹</u>			
SF 130	Fund Transfers	\$ 25.2	\$ 0.0	\$ 0.0
	<u>Revenue Changes Not Included in March REC</u>			
SF 516	Cash Reserve Fund Transfer	\$ 131.1	\$ 0.0	\$ 0.0
SF 234	Texting While Driving Ban	0.0	0.1	0.2
SF 489	Fireworks Legalization	0.9	1.2	1.3
HF 529	Occupational Safety Enforcement	0.0	0.8	0.8
HF 242	Political Check-off on Tax Return, Repeal	0.0	0.1	0.1
SF 509	Justice System - Unsecured Bond	0.0	3.0	3.0
SF 505	Homebuyer Savings Accounts	0.0	0.0	- 0.2
SF 516	Standings - Online E-Cig Sales Tax	0.0	0.8	0.9
	Subtotal	<u>\$ 132.0</u>	<u>\$ 6.0</u>	<u>\$ 6.1</u>
	Total Revenue Adjustments	<u>\$ 157.2</u>	<u>\$ 6.0</u>	<u>\$ 6.1</u>

¹ SF 130 (FY 2017 Budget Adjustment Act) was enacted on February 1, 2017. The Act transferred \$25.2 million from various non-General Fund sources to the General Fund for FY 2017. The \$25.2 million was included in the March REC estimate for FY 2017.

State of Iowa
Expenditure Limitation Calculation
(Dollars in Millions)

	<u>Enacted FY 2018</u>			<u>Enacted FY 2019</u>		
	<u>Amount</u>	<u>%</u>	<u>Expend. Limit</u>	<u>Amount</u>	<u>%</u>	<u>Expend. Limit</u>
Revenue Estimating Conference						
Total (March 2017 Estimate)	\$ 7,364.5	99%	\$ 7,290.9	\$ 7,626.5	99%	\$ 7,550.2
Revenue Adjustments:						
SF 234 Texting While Driving Ban	\$ 0.1	95%	\$ 0.1	\$ 0.2	95%	\$ 0.2
SF 489 Fireworks Legalization	1.2	95%	1.1	1.3	95%	1.2
HF 529 Occupational Safety Enforcement	0.8	95%	0.8	0.8	95%	0.8
HF 242 Political Check-off on Tax Return, Repeal	0.1	95%	0.1	0.1	95%	0.1
SF 509 Justice System - Unsecured Bond	3.0	95%	2.9	3.0	95%	2.9
SF 505 Homebuyer Savings Accounts	0.0	0%	0.0	- 0.2	100%	- 0.2
SF 516 Standings - Online E-Cig Sales Tax	0.8	95%	0.8	0.9	95%	0.9
Subtotal Revenue Adjustment	<u>\$ 6.0</u>		<u>\$ 5.8</u>	<u>\$ 6.1</u>		<u>\$ 5.9</u>
Transfer from Economic Emergency Fund	\$ 0.0	100%	\$ 0.0	\$ 77.0	100%	\$ 77.0
Total Adjustments	<u>\$ 6.0</u>		<u>\$ 5.8</u>	<u>\$ 83.1</u>		<u>\$ 82.9</u>
Expenditure Limitation			<u><u>\$ 7,296.7</u></u>			<u><u>\$ 7,633.1</u></u>

State of Iowa Reserve Funds

(Dollars in Millions)

Cash Reserve Fund (CRF)	Actual FY 2016	Estimated FY 2017	Enacted FY 2018	Enacted FY 2019
Funds Available				
Balance Brought Forward	\$ 523.3	\$ 539.2	\$ 422.4	\$ 444.0
Gen. Fund Appropriation from Surplus	410.7	44.1	1.6	107.3
Intrastate Receipts (credited after close of FY)	0.2	0.0	0.0	0.0
Special General Fund Appropriations	0.0	0.0	20.0	111.1
Total Funds Available	\$ 934.2	\$ 583.3	\$ 444.0	\$ 662.4
General Fund Transfer	0.0	- 131.1	0.0	0.0
Excess Transferred to EEF	- 395.0	- 29.8	0.0	- 90.0
Balance Carried Forward	\$ 539.2	\$ 422.4	\$ 444.0	\$ 572.4
<i>Maximum 7.5%</i>	\$ 539.0	\$ 553.5	\$ 552.8	\$ 572.4
Economic Emergency Fund (EEF)	Actual FY 2016	Estimated FY 2017	Enacted FY 2018	Enacted FY 2019
Funds Available				
Balance Brought Forward	\$ 174.5	\$ 189.9	\$ 184.5	\$ 181.1
Excess from Cash Reserve	395.0	29.8	0.0	90.0
Total Funds Available	\$ 569.5	\$ 219.7	\$ 184.5	\$ 271.1
Appropriations & Transfers				
Excess Transferred to Taxpayer Trust Fund	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Executive Council - Performance of Duty	- 12.3	- 17.0	- 3.4	- 3.3
Excess Transferred to General Fund	- 367.3	- 18.2	0.0	- 77.0
Balance Carried Forward	\$ 189.9	\$ 184.5	\$ 181.1	\$ 190.8
<i>Maximum 2.5%</i>	\$ 179.7	\$ 184.5	\$ 184.3	\$ 190.8
Combined Reserve Fund Balances	Actual FY 2016	Estimated FY 2017	Enacted FY 2018	Enacted FY 2019
Cash Reserve Fund	\$ 539.2	\$ 422.4	\$ 444.0	\$ 572.4
Economic Emergency Fund	189.9	184.5	181.1	190.8
Total CRF and EEF	\$ 729.1	\$ 606.9	\$ 625.1	\$ 763.2
Statutory Maximum				
Cash Reserve Fund	\$ 539.0	\$ 553.5	\$ 552.8	\$ 572.4
Economic Emergency Fund	179.7	184.5	184.3	190.8
Total CRF and EEF	\$ 718.7	\$ 738.0	\$ 737.1	\$ 763.2

**Adjusted Revenue Estimate
and Reserve Fund Goal Calculations**

(Dollars in Millions)

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Enacted FY 2018</u>	<u>Enacted FY 2019</u>
REC Estimates	\$ 7,175.5	\$ 7,357.4	\$ 7,364.5	\$ 7,626.5
Revenue Adjustments	11.2	22.6	6.0	6.1
Adjusted Revenue Estimate	<u>\$ 7,186.7</u>	<u>\$ 7,380.0</u>	<u>\$ 7,370.5</u>	<u>\$ 7,632.6</u>
Reserve Fund Goals				
Cash Reserve Fund	\$ 539.0	\$ 553.5	\$ 552.8	\$ 572.4
Economic Emergency Fund	179.7	184.5	184.3	190.8
Total	<u>\$ 718.7</u>	<u>\$ 738.0</u>	<u>\$ 737.1</u>	<u>\$ 763.2</u>

Taxpayers Trust Fund

(Dollars in Millions)

	<u>Estimated FY 2017</u>	<u>Enacted FY 2018</u>	<u>Enacted FY 2019</u>
Funds Available			
Balance Brought Forward	\$ 8.2	\$ 8.2	\$ 8.2
Economic Emergency Transfer	0.0	0.0	0.0
Total Funds Available	<u>\$ 8.2</u>	<u>\$ 8.2</u>	<u>\$ 8.2</u>
Transfer to Tax Credit Fund	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Reversion from Tax Credit Fund	0.0	0.0	0.0
Ending Balance	<u><u>\$ 8.2</u></u>	<u><u>\$ 8.2</u></u>	<u><u>\$ 8.2</u></u>

Taxpayers Trust Fund Tax Credit Fund

(Dollars in Millions)

	<u>Estimated FY 2017</u>	<u>Enacted FY 2018</u>	<u>Enacted FY 2019</u>
Funds Available			
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0
Transfer from Taxpayers Trust Fund	0.0	0.0	0.0
Total Funds Available	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Expenditures			
Transfer to General Fund	\$ 0.0	\$ 0.0	\$ 0.0
Reversion to the Taxpayers Trust Fund	0.0	0.0	0.0
Total Expenditures	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Ending Balance	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>

State Tax Credit Expected Claims Projection

(Dollars in Millions)

<u>Tax Credit Program</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
<u>Capped Programs</u>			
Accelerated Career Education Tax Credit	\$ 4.3	\$ 3.9	\$ 3.9
Agricultural Assets Transfer Tax Credit	3.4	4.8	5.5
Custom Farming Contract Tax Credit	0.0	0.1	0.2
Endow Iowa Tax Credit	5.3	5.1	5.1
Enterprise Zone Program	7.9	7.1	3.9
Enterprise Zone Program - Housing Component	12.9	16.9	10.8
High Quality Jobs Program	38.2	40.1	52.1
Historic Pres. and Cultural and Entertainment District Tax Credit	36.5	59.3	57.8
Redevelopment Tax Credit	3.1	7.2	7.5
Renewable Energy Tax Credit	5.3	6.1	8.3
School Tuition Organization Tax Credit	10.7	11.3	11.4
Solar Energy System Tax Credit	3.1	3.7	3.8
Venture Capital Tax Credit - Innovation Fund	2.0	1.8	3.2
Venture Capital Tax Credit - Iowa Fund of Funds	0.9	1.2	0.0
Venture Capital Tax Credit - Qualified Bus. or Comm.- Capital Fund	1.1	2.1	2.1
Venture Capital Tax Credit - Venture Capital Funds	0.0	0.0	0.0
Wind Energy Production Tax Credit	0.8	2.2	1.8
Workforce Housing Tax Incentive Program	0.0	1.8	15.9
Total Capped Programs	\$ 135.4	\$ 174.6	\$ 193.3
<u>Uncapped Programs</u>			
Adoption Tax Credit	\$ 0.4	\$ 0.5	\$ 0.9
Biodiesel Blended Fuel Tax Credit	15.4	18.0	17.8
Charitable Conservation Contribution Tax Credit	0.4	0.7	0.7
Child and Dependent Care Tax Credit	5.7	6.7	6.5
E15 Gasoline Promotion Tax Credit	0.1	0.4	0.5
E85 Gasoline Promotion Tax Credit	1.9	2.0	2.4
Early Childhood Development Tax Credit	0.7	0.7	0.7
Earned Income Tax Credit	71.9	71.3	70.5
Ethanol Promotion Tax Credit	1.8	1.3	1.2
Farm to Food Donation Tax Credit	0.0	0.0	0.0
Geothermal Heat Pump Tax Credit	1.6	2.5	0.4
Geothermal Tax Credit	0.0	0.0	1.5
Iowa Industrial New Job Training Program (260E)	38.9	42.6	43.8
New Capital Investment Program	0.0	0.0	0.0
New Jobs and Income Program	0.0	0.0	0.0
Research Activities Tax Credit	55.3	56.8	62.7
Supplemental Research Activities Tax Credit	6.9	6.3	5.6
Targeted Jobs Tax Credit from Withholding	5.9	5.7	6.8
Tuition and Textbook Tax Credit	15.5	15.1	15.2
Volunteer Firefighter and EMS Tax Credit	1.4	1.3	1.3
Total Uncapped Programs	\$ 223.8	\$ 232.1	\$ 238.7
Tax Credit Program Total	\$ 359.3	\$ 406.7	\$ 432.0

Notes:

These estimates are based on the Tax Credit Expected Claims Projection published by the Department of Revenue in December 2016. The table above reflects the tax credits that are likely to be claimed in a given fiscal year based on previous experience. The projected claims are incorporated in the FY 2017 and FY 2018 REC revenue estimates.

The numbers may not equal totals due to rounding.